

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** March 5, 2007  
**POSITION:** Oppose

**BILL NUMBER:** SB 162  
**AUTHOR:** G. Negrete McLeod

### **BILL SUMMARY:** Local Government Organization

Current law specifies the factors that a local agency formation commission (LAFCO) is required to consider in the review of proposals to change the boundaries of local governments.

This bill would additionally require LAFCOs to consider the extent to which proposed boundary changes would promote environmental justice. The bill defines environmental justice as "the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services."

### **FISCAL SUMMARY**

This bill may result in additional administrative costs for LAFCOs to perform their statutory duties. The Department of Finance believes those costs would not be reimbursable, because the LAFCOs are authorized to charge fees to recover their costs.

### **COMMENTS**

Finance opposes this bill for the following reasons:

- Provisions of the bill requiring consideration of comments and information from all voters and residents could cause substantial delays for proposed projects by extending the time required for their approvals.
- Current law establishes the purposes of a LAFCO as discouraging urban sprawl, encouraging orderly formation and development of local agencies, preserving open-space and agricultural lands, and efficiently providing government services. It is unclear that a LAFCO is the appropriate venue in which to determine issues of environmental justice. Any environment justice ramifications of a proposed boundary change should instead be decided by the governing boards of the entities proposing the change.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	Code
0001/Major Rev	SO	No	-----	See Fiscal Summary				-----	0001

Analyst/Principal (0762) C. Hill	Date	Program Budget Manager Mark Hill	Date
-------------------------------------	------	-------------------------------------	------

Department Deputy Director	Date
----------------------------	------

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)